

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
)
BIG LOTS, INC., <i>et al.</i> ,) Case No. 24-11967 (JKS)
)
) (Jointly Administered)
Debtors. ¹)
) Obj. Deadline: 12/16/24 at 4:00 p.m. (ET)
) Hrg. Date: <i>Only if an objection is filed</i>
)

**SUMMARY OF FIRST MONTHLY FEE APPLICATION OF
MCDERMOTT WILL & EMERY LLP, COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM SEPTEMBER 24, 2024 THROUGH OCTOBER 31, 2024**

Name of Applicant:	MCDERMOTT WILL & EMERY LLP
Authorized to provide professional services to:	Official Committee of Unsecured Creditors of Big Lots, Inc., <i>et al.</i>
Date of retention:	November 13, 2024, effective September 24, 2024
Period for which compensation and reimbursement are sought:	September 24, 2024 through October 31, 2024
Amount of compensation sought as actual, reasonable, and necessary:	\$1,241,390.40 (80% of \$1,551,738.00)
Amount of reimbursement sought as actual, reasonable, and necessary:	\$6,679.15
This is a:	Monthly Fee Application

1 The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors' corporate headquarters is 4900 E. Dublin-Granville Road, Columbus, OH 43081.

Prior Monthly Applications:

MONTHLY FEE APPLICATION			REQUESTED FEES AND EXPENSES		APPROVED FEES AND EXPENSES		HOLDBACK
Application Docket No. Date Filed	CNO Date Filed Docket No.	Period Covered	Requested Fees	Requested Expenses	Approved Fees (80%)	Approved Expenses (100%)	Fees Holdback (20%)
N/A							
Total							

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF BIG LOTS, INC., *ET AL.*
SUMMARY OF BILLING BY PROFESSIONAL
SEPTEMBER 24, 2024 THROUGH OCTOBER 31, 2024**

Name of Professional Person	Date of Bar Admission	Position with the Applicant and Practice Area	Hourly Billing Rate²	Total Billed Hours	Total Compensation
Andrew B. Kratenstein	2000	Partner; Trial	\$1,905	5.5	\$10,477.50
Joel C. Haims	1994	Partner; Trial	\$1,830	23.0	\$42,090.00
Kristin K. Going	2002	Partner; Corporate Advisory	\$1,750	82.7	\$144,725.00
David R. Hurst	1998	Partner; Corporate Advisory	\$1,750	19.3	\$33,775.00
Darren Azman	2011	Partner; Corporate Advisory	\$1,650	92.6	\$152,790.00
Stacy A. Lutkus	2003	Partner; Corporate Advisory	\$1,650	185.4	\$305,910.00
Monica Asher	2009	Partner; Trial	\$1,590	19.5	\$31,005.00
Zena M. Ho	2009	Partner; Corporate Advisory	\$1,575	4.3	\$6,772.50
Kelly D. Newsome	2015	Partner; White Collar & Securities	\$1,525	9.7	\$14,792.5
Deanna Boll	1998	Counsel; Corporate Advisory	\$1,395	40.7	\$56,776.50
Kristine Suh	1997	Counsel; Corporate Advisory	\$1,395	30.7	\$42,826.50
Eric C. Seitz	2009	Counsel; Corporate Advisory	\$1,390	31.9	\$44,341.00

² Except as set forth below, the rate represents the current standard hourly rate of each McDermott attorney and paralegal who rendered legal services.

Name of Professional Person	Date of Bar Admission	Position with the Applicant and Practice Area	Hourly Billing Rate²	Total Billed Hours	Total Compensation
Daniel A. Thomson	2019	Associate; Corporate Advisory	\$1,290	77.2	\$99,588.00
Ana A. Hubert	2019	Associate; Corporate Advisory	\$1,245	2.5	\$3,112.50
Natalie A. Rowles	2018	Associate; Corporate Advisory	\$1,245	171.4	\$213,393.00
Chris Combs	2021	Associate; Trial	\$1,200	35.5	\$42,600.00
Catherine T. Lee	2021	Associate; Corporate Advisory	\$1,155	9.9	\$11,434.50
Elizabeth H. Shereff	2022	Associate; Trial	\$1,040	49.2	\$51,168.00
Grayson W. Williams	2021	Associate; Corporate Advisory	\$1,040	100.7	\$104,728.00
Cristian P. Catanese	2023	Associate; Corporate Advisory	\$925	27.0	\$24,975.00
Michael D. Wombacher	2022	Associate; Corporate Advisory	\$805	125.5	\$101,027.50
Daniel D. Northrop	N/A	Paralegal; Corporate Advisory	\$745	4.3	\$3,203.50
Serena J. Wright	N/A	Technology Project Manager	\$570	4.8	\$2,736.00
Jessica M. Hirshon	N/A	Paralegal; Corporate Advisory	\$565	5.6	\$3,164.00
Kate K. Delcoure	N/A	Paralegal; IP Prosecution, Transactions & Strategy	\$525	2.9	\$1,522.50
Nolley M. Rainey	N/A	Paralegal; Corporate Advisory	\$500	1.8	\$900.00

Name of Professional Person	Date of Bar Admission	Position with the Applicant and Practice Area	Hourly Billing Rate²	Total Billed Hours	Total Compensation
Andy Garcia	N/A	Litigation Technology Data Analyst	\$280	4.0	\$1,120.00
Daniel Valentino	N/A	Litigation Technology Data Analyst	\$280	2.8	\$784.00
Total				1,170.4	\$1,551,738.00

Blended Rate: \$1,325.82

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF BIG LOTS, INC., *ET AL.*
SUMMARY OF FEES BY PROJECT CATEGORY
SEPTEMBER 24, 2024 THROUGH OCTOBER 31, 2024**

Project Category	Total Hours	Total Fees
Case Administration	290.90	\$362,896.50
Asset Disposition	38.2	\$56,575.00
Meetings and Communications with Creditors	154.2	\$198,565.00
Court Hearings	38.6	\$50,245.50
Fee and Employment Applications	40.8	\$57,332.00
Assumption/Rejection of Leases	1.9	\$2,119.50
Contested and Litigation-Related Matters	302.4	\$405,161.50
Non-Working Travel	3.6	\$6,300.00
Employee Benefits/Pensions	13.2	\$15,614.00
Financing/Cash Collateral	257.7	\$356,413.50
Vendor Matters	28.9	\$40,515.50
Total	1,170.4	\$1,551,738.00

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF BIG LOTS, INC., *ET AL.*
SUMMARY OF EXPENSES
SEPTEMBER 24, 2024 THROUGH OCTOBER 31, 2024**

Expense Category	Service Provider (if applicable)	Total Expenses
Transcripts	Reliable	\$248.40
Lien Searches	CT Corporation	\$2,718.20
Express Mail	Federal Express	\$221.92
Transportation	Various	\$3,174.82
Lodging	The Quoin	\$315.81
TOTAL		\$6,679.15

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
BIG LOTS, INC., <i>et al.</i> ,)	Case No. 24-11967 (JKS)
Debtors. ¹)	(Jointly Administered)
)	Obj. Deadline: 12/16/24 at 4:00 p.m. (ET)
)	Hrg. Date: <i>Only if an objection is filed</i>

**FIRST MONTHLY FEE APPLICATION OF MCDERMOTT
WILL & EMERY LLP, COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM SEPTEMBER 24, 2024 THROUGH OCTOBER 31, 2024**

McDermott Will & Emery LLP (the “Applicant” or “McDermott”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Big Lots, Inc., *et al.*, the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), hereby applies (the “Application”), pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), for allowance of compensation for services rendered and expenses incurred for the period from September 24, 2024 through October 31, 2024 (the “Application Period”), and respectfully represents as follows:

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors’ corporate headquarters is 4900 E. Dublin-Granville Road, Columbus, OH 43081.

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Application in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The legal predicates for the relief requested herein are Bankruptcy Code sections 330 and 331, Bankruptcy Rule 2016, and Local Rule 2016-2.

3. McDermott confirms its consent, pursuant to Local Rule 9013-1(f), to the entry of a final order by the Court in connection with the Application in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

BACKGROUND

A. The Chapter 11 Cases

4. On September 9, 2024 (the “Petition Date”), the Debtors commenced the Chapter 11 Cases by filing petitions for relief under chapter 11 of the Bankruptcy Code with the Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

5. On September 23, 2024, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed the Committee under section 1102(a)(1) of the Bankruptcy Code. *See* Docket No. 248.

B. The Committee's Retention of McDermott

6. On October 18, 2024, the Committee applied [Docket No. 552] to the Court for an order authorizing the Committee to retain and employ McDermott as its counsel, effective as of September 24, 2024. On November 13, 2024, the Court entered an order [Docket No. 1083] authorizing such retention.

C. The Interim Compensation Order

7. On October 17, 2024, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Retained Professionals* [Docket No. 519] (the “Interim Compensation Order”),² which sets forth the procedures for interim compensation and reimbursement of expenses in the Chapter 11 Cases. Specifically, the Interim Compensation Order provides that a retained professional may file and serve a Monthly Fee Statement on or after the fifth (5th) day of each month following the month for which compensation is sought. Provided that there are no objections to the Monthly Fee Statement filed within twenty-one (21) days after the service of a Monthly Fee Statement, the professional may file a certificate of no objection with the Court, after which the Debtors are authorized to pay such professional eighty percent (80%) of the fees and one-hundred percent (100%) of the expenses requested in such Monthly Fee Statement.

RELIEF REQUESTED

8. By this Application, McDermott requests the allowance of \$1,241,390.40, which is equal to eighty percent (80%) of the \$1,551,738.00 in fees for professional services rendered by McDermott during the Application Period. McDermott also requests reimbursement of

² Capitalized terms used but not defined herein shall have the meanings ascribed to such items in the Interim Compensation Order.

\$6,679.15 in expenses incurred during the Application Period in connection with its engagement by the Committee.

DESCRIPTION OF SERVICES RENDERED

9. During the Application Period, McDermott professionals, including attorneys and paraprofessionals (collectively, the “McDermott Professionals”), devoted 1,170.4 hours to, among other things, contested and litigation-related matters, case administration, financing and cash collateral matters, meetings and communications with the Committee and other creditors, preparation of professional retention applications, sale matters, preparation for and attendance at Court hearings, and vendor matters. McDermott Professionals’ most significant work in these matter categories is summarized below, and all work performed by McDermott Professionals is described in detail in **Exhibit A** hereto, which provides a detailed itemization, by project category, of all services performed by McDermott Professionals with respect to the Chapter 11 Cases during the Application Period. This detailed itemization complies with Local Rule 2016-2(d) in that each time entry contains a separate time allotment, a description of the type of activity, and the subject matter of the activity, all time is billed in increments of one-tenth of an hour, time entries are presented chronologically in categories, and all meetings or hearings are individually identified.

A. Contested and Litigation-Related Matters Amount Sought: \$405,161.50

10. During the Application Period, McDermott Professionals initiated the Committee’s investigation into various estate claims and causes of action, including claims against the Debtors’ prepetition lenders and the Debtors’ current and former directors, officers, and employees. In connection therewith, McDermott Professionals drafted and served formal discovery requests, reviewed documents produced in response to such discovery requests,

analyzed legal issues related to the potential estate claims, and began drafting an internal memorandum and Committee presentation related to such claims.

11. McDermott Professionals devoted a total of 302.4 hours to contested and litigation-related matters during the Application Period, for which compensation in the amount of \$405,161.50 is sought.

B. Case Administration
Amount Sought: \$362,896.50

12. During the Application Period, McDermott Professionals devoted time to, among other things: (i) monitoring the Court’s docket for case updates and deadlines; (ii) corresponding with the Debtors, the Committee, and other parties in interest regarding case status, pending motions, and case administration issues; (iii) analyzing various pleadings, including first and second day motions, and drafting summaries of such pleadings for circulation to the Committee; (iv) negotiating the proposed orders on various first and second day motions; and (v) preparing for and participating in conferences with case professionals and various parties in interest regarding case status and case management issues.

13. McDermott Professionals devoted a total of 290.9 hours to case administration matters during the Application Period, for which compensation in the amount of \$362,896.50 is sought.

C. Financing/Cash Collateral
Amount Sought: \$356,413.50

14. During the Application Period, McDermott Professionals reviewed and analyzed the Debtors’ debtor in possession financing and cash collateral motion [Docket No. 19] (the “DIP Financing Motion”) and proposed financing and cash collateral order, along with related declarations and loan documents. McDermott Professionals identified significant issues with the relief being requested by the Debtors, and prepared lists of issues that were negotiated with the

Debtors and their lenders. At the same time, McDermott Professionals prepared an objection to the DIP Financing Motion. Ultimately the Committee was able to negotiate meaningful improvements to the financing documents, obviating the need for the filing of a formal objection.

15. McDermott Professionals devoted a total of 257.7 hours to cash collateral and financing matters during the Application Period, for which compensation in the amount of \$356,413.50 is sought.

D. Meetings and Communications with Creditors
Amount Sought: \$198,565.00

16. During the Application Period, McDermott Professionals prepared for and conducted regular Committee meetings and communicated with the Committee members and their counsel both as a group and on an individual basis. Among other things, McDermott Professionals organized and conducted interviews to select the Committee's financial advisor, corresponded with the Committee regarding the Committee bylaws, provided recommendations to the Committee regarding various requests by the Debtors and other parties in interest, counseled the Committee in connection with the Committee's responses to the Debtors' pleadings, and delivered email updates regarding Committee business, case updates, and various outstanding matters. McDermott Professionals also coordinated with Cole Schotz and the Committee's financial advisor to prepare for weekly Committee calls by preparing, discussing, and reviewing Committee presentations on topics such as case status and strategy, and the Debtors' operations and finances.

17. McDermott Professionals devoted a total of 154.2 hours to communications with the Committee and other creditors (and related tasks) during the Application Period, for which compensation in the amount of \$198,565.00 is sought.

E. Fee and Employment Applications
Amount Sought: \$57,332.00

18. During the Application Period, McDermott Professionals drafted and revised McDermott's retention application and performed the associated conflict check. McDermott Professionals also assisted with the resolution of informal objections to such application raised by the U.S. Trustee. In addition, McDermott Professionals revised the Debtors' proposed interim compensation procedures order, analyzed various aspects of the retention applications submitted by the Debtors, and corresponded with the Debtors' professionals with respect to the terms of their proposed engagements.

19. McDermott Professionals devoted a total of 40.8 hours to the preparation of professional retention applications and related matters during the Application Period, for which compensation in the amount of \$57,332.00 is sought.

F. Asset Disposition
Amount Sought: \$56,575.00

20. During the Application Period, McDermott Professionals: (i) reviewed and analyzed the proposed asset purchase agreement between the Debtors and Gateway BL Acquisition, LLC (the "Stalking Horse Bidder") and the bid submitted by Gordon Brothers Retail Partners, LLC; (ii) liaised with counsel to the Debtors and other parties in interest with respect to the proposed sale of substantially all of the Debtors' assets to the Stalking Horse Bidder; (iii) revised the Committee's limited objection to the Debtors' proposed bidding procedures; and (iv) attended the auction related to such sale.

21. McDermott Professionals devoted a total of 38.2 hours to sale matters during the Application Period, for which compensation in the amount of \$56,575.00 is sought.

G. Court Hearings
Amount Sought: \$50,245.50

22. During the Application Period, McDermott Professionals prepared for and attended hearings held on September 30, 2024, October 9, 2024, October 21, 2024, October 25, 2024, and October 31, 2024.

23. McDermott Professionals devoted a total of 38.6 hours to preparation for and attendance at Court hearings during the Application Period, for which compensation in the amount of \$50,245.50 is sought.

H. Vendor Matters
Amount Sought: \$40,515.50

24. During the Application Period, McDermott Professionals reviewed, analyzed, and negotiated the proposed order on the Debtors' motion to pay prepetition vendor claims [Docket No. 11] (the "Vendor Motion"), and performed due diligence with respect to such claims. Specifically, McDermott professionals researched matters relating to the Debtors' calculation of claims arising under Bankruptcy Code section 503(b)(9), participated in conferences with counsel to the Debtors with respect to such claims, drafted a reservation of rights with respect to the calculation of such claims, and provided the Debtors with revised language resolving the Committee's objections to the Vendor Motion.

25. McDermott Professionals devoted a total of 28.9 hours to vendor matters during the Application Period, for which compensation in the amount of \$40,515.50 is sought.

**DESCRIPTION OF ACTUAL, REASONABLE,
AND NECESSARY EXPENSES INCURRED**

26. During the Application Period, McDermott incurred actual, reasonable, and necessary expenses in connection with its engagement by the Committee in the aggregate amount of \$6,679.15, for which McDermott seeks reimbursement. Attached hereto as **Exhibit B**

are descriptions of the expenses actually incurred by McDermott in the performance of services rendered as counsel to the Committee. The expenses are broken down into categories of charges, including, among other things, the following charges: travel expenses, business meals, service and hearing binder expenses, and certain other non-ordinary expenses.³

VALUATION OF SERVICES

27. McDermott Professionals have expended a total of 1,170.4 hours in connection with this matter during the Application Period. The amount of time spent by each of the McDermott Professionals providing services to the Committee during the Application Period is set forth in **Exhibit A**. The rates reflected in this Application are McDermott's normal hourly rates of compensation for work of this character. The reasonable value of the services rendered by McDermott during the Application Period as counsel for the Committee in the Chapter 11 Cases is \$1,551,738.00.

28. In accordance with the factors enumerated in Bankruptcy Code section 330, McDermott submits that the amount requested is fair and reasonable given (a) the complexity of the Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

NO PRIOR REQUEST

29. No prior request for the relief requested in this Application has been made to this Court or any other court.

³ In accordance with Del. Bankr. L.R. 2016-2(e)(iii), McDermott does not charge more than \$0.10 per page for photocopies, does not charge for incoming facsimile transmissions, and does not charge more than \$0.25 per page for outgoing facsimiles.

CERTIFICATE OF COMPLIANCE AND REQUEST FOR WAIVER

30. The undersigned representative of McDermott certifies that he has reviewed the requirements of Local Rule 2016-2 and that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-2, McDermott believes that such deviations are not material and respectfully requests that any such requirement be waived.

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WHEREFORE, McDermott respectfully requests that it (a) be allowed (i) compensation in the amount of \$1,241,390.40 (80% of \$1,551,738.00) for necessary professional services rendered to the Committee during the Application Period, and (ii) reimbursement of actual and necessary expenses in the amount of \$6,679.15 incurred during that period, and (b) be granted such other and further relief as the Court deems just and proper.

Dated: Wilmington, Delaware
November 25, 2024

MCDERMOTT WILL & EMERY LLP

/s/ David R. Hurst

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